

4 KEY TAKEAWAYS

“Patents: Developing Issues in Post Grant Patent Challenges”

Kilpatrick Townsend partner **Justin Krieger** recently spoke at the North Carolina Bar Association’s “2018 Intellectual Property Law Section Annual Meeting and Litigation Section Joint CLE” in Raleigh, North Carolina. Mr. Krieger presented on “Patents: Developing Issues in Post Grant Patent Challenges.”

4 key takeaways from the presentation, include:

1

Supreme Court Update: The Supreme Court’s recent *Oil States v. Green’s Energy Group* means IPRs are here to stay. The Court held that patents are subject to the “public rights doctrine,” which provides Congress with great discretion to legislate the granting of patents as well as reconsidering the issuance of granted patents. The Court also held in *SAS Institute v. Iancu* that a plain reading of 35 USC § 318(a) requires that any final written decision (FWD) issued by the PTAB must address each and every claim challenged in the corresponding Petition. The PTAB subsequently issued Guidelines on April 26, 2018 indicating that for pending and future proceedings it would institute, if at all, based on all challenged claims *and* grounds. Look for the SAS decision to have a broad impact on IPR practice, including petitions (narrow, more focused petitions being preferred), preliminary responses (fewer will be filed), and stays of co-pending litigation (more will be granted).

2

Improving Predictability: Look for the USPTO to continue to modify IPR practice to improve consistency and predictability. In *Tinnus Enterprises v. Telebrands Corp.*, currently before the Federal Circuit, the USPTO filed a brief as an Intervenor, arguing that the USPTO should continue to employ a lower indefiniteness standard than used in district court proceedings. Shortly after Dir. Iancu was sworn in as Director, however, USPTO withdrew its brief, indicating “the PTAB’s approach to claim construction and indefiniteness during post-issuance proceedings under the America Invents Act is something the agency is actively considering.” Subsequently, on May 9, 2018, the USPTO proposed new rules dropping the broadest reasonable interpretation (BRI) standard for claim construction and adopting the narrower *Phillips* standard. Look for the Office to similarly shift to the Supreme Court’s *Nautilus* standard for indefiniteness for motions to amend and in PGR proceedings.

3

Motions to Amend are on the rise. As of September 2017, only 8% of completed IPRs included a motion to amend, and of those, only 8% have been at least partially granted. In a fractured decision, however, the Federal Circuit recently held in *Aqua Products v. Matal* (en banc) that the burden of proving patentability of amended claims cannot be placed on the Patent Owner. It remains to be seen whether the burden is on the Petitioner, on the Patent Office, or both; but look for future rulemaking to resolve this issue. Although more data is needed, the PTAB appears to be granting Motions to Amend with greater frequency post-*Aqua Products*.

4

IPR Statistics: IPR/PGR filings are holding constant at a little more than 1,500 per year. Of terminated proceedings: roughly 25% are settled or procedurally dismissed before institution, 20% are denied institution, 25% are settled or dismissed post institution, and about 30% reach final written decision (FWD). Of those reaching FWD, about 70% result in all claims being held unpatentable. FY2017 statistics reflect a slight drop to 58% of FWD’s finding all claims unpatentable and a surprising uptick in decisions finding all claims patentable (27%).